

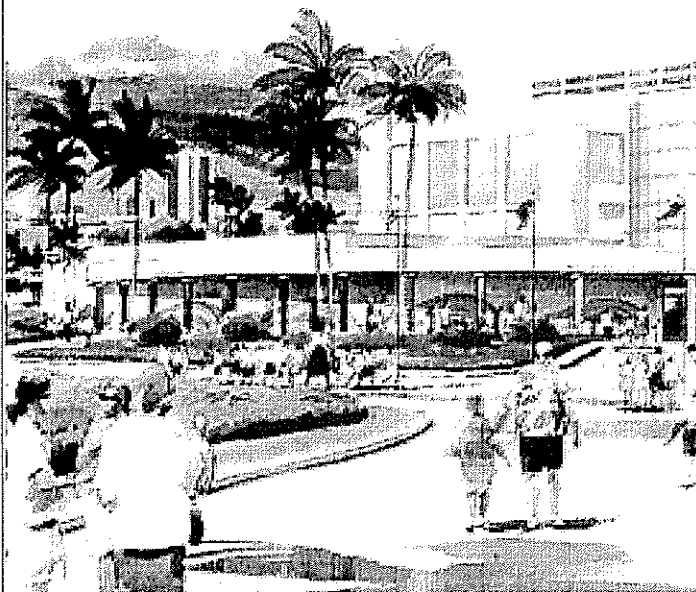
Kakaako Connection

Vol. 18, No. 3 Sept. 1996

A Publication of the
HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



CHILDREN'S DISCOVERY CENTER BREAKS GROUND IN KAKA'AKO



Facility Promises to Serve as a "Window to the World" for Hawaii's People



With the promise of a new "world-class", one-of-a-kind facility for the children of Hawaii, ground was recently broken for the Children's Discovery Center (CDC) project. The ground breaking ceremony was held on August 14 at future Center site, the former Kewalo Incinerator adjacent to the Kaka'ako Waterfront Park. In attendance at the event were members, donors and friends of the CDC, along with Governor Benjamin Cayetano and other government officials.

The CDC (formerly known as the Hawaii Children's Museum) is a non-profit, community organization dedicated to educating and inspiring Hawaii's children and "young at heart". The Hawaii Community Development Authority (HCDA) recently issued a lease to the CDC for use of the former incinerator site to develop the new Discovery Center. In late 1995, the HCDA completed the \$2 million remediation and structural stabilization of the incinerator structure, and the 1994 State Legislature

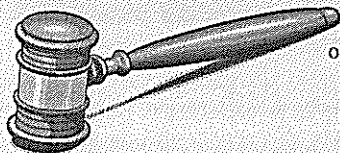
provided a \$4 million grant-in-aid to the Center to begin the construction. The CDC is now proceeding with the renovation of the present 17,000 square foot structure, and it will add 20,000 square feet of new construction. The new Children's Discovery Center will appeal to a target audience that extends from pre-school-aged children to teens and beyond. Children and adults alike will be able to actively

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HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Regular Meeting Sept. 11, 1996 2:00 p.m.

677 Ala Moana Blvd. Suite 1000 Conference



Action Items:

- o Approval of Planned Development Permit & Joint Development for Emerald Tower
- o Approval to Commence Bid Process for Parks Security

Information Items:

- o Presentation of Final Report on Traffic Study for Makai Area
- o Discussion on Management of HCDA Parks

Note: Agenda items are tentatively set at the time of newsletter printing. Call the HCDA office for more information.



CHILDREN'S DISCOVERY CENTER BREAKS GROUND

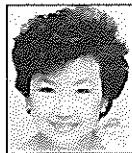
Facility Promises to Serve as a "Window to the World" for Hawaii's People

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participate in discovery experiences throughout the Center's galleries hands-on interactive exhibits and through innovative programs. Construction work on the building is expected to take about one year. The fabrication of new exhibits will start as soon as additional funds are raised by the Center.

Speaking at the ground breaking ceremony, CDC President and CEO Loretta Yajima acknowledged the valuable contributions of the many individuals who have worked on the project. She said, "Ten years ago, (former First Lady) Lynne Waihee and I attended the Boston Children's Museum conference on how to start and how not to start a children's museum. We sat there and made a pledge to one another. We pledged our commitment to the children of Hawaii and this State to join forces in the effort to building a Children's Discovery Center here for our children in Hawaii...Today marks the beginning of starting to make that dream come true." Yajima added, "Along the way there have been literally hundreds of volunteers who have worked hard to bring us to the point where we're at today. And it has indeed been my honor and privilege to have worked with them." Yajima also recognized the CDC Board of Directors, Advisory Council and Capital

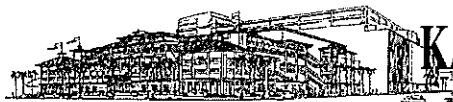
Campaign Committee for their "commitment and leadership". Governor Benjamin Cayetano also spoke at the ceremony about the importance of the Children's Discovery Center and his ultimate vision for Kakaako's Makai Area. The Governor explained that as part of his effort to develop a world-



"We pledged our commitment to the children of Hawaii and this State to join forces in the effort to building a Children's Discovery Center here for our children in Hawaii..."

Loretta Yajima, Children's Discovery Center President

class aquarium and a major activity center for children at the Kakaako waterfront, he will visit aquariums and children's museums in Tampa, Long Beach, New Orleans, Minneapolis and Chicago in late August. "Our visit to world-class aquariums and major children's museums is part of our search to find economic development opportunities that would develop part of Kakaako as a successful activity center for children from Hawaii and around the world," he stated. Excerpts of the Governor's remarks follow on Page 3.



KAKAAKO THEATERS PROJECT GRANTED VARIANCES

Movie Partners was recently granted variances from certain Kakaako District rules to develop a five-story theater complex, called Kakaako Theaters, at 210 Coral Street in Kakaako. Following a public hearing during its August 8 meeting, members of the Hawaii Community Development Authority (HCDA) approved the applicant's request for variances relating to

height, view corridor setback and open space requirements. The proposed theater would include 26 movie auditoriums (with 4,420 seats), two restaurants, and 449 parking spaces. The developer proposes to utilize approximately 450 off-site parking spaces on the adjacent property.

ISLAND GUITAR: A Group of Guitar Enthusiasts Provide a One-Stop Retail Shop

Kakaako NEIGHBORS

Since 1991, the Hawaii Community Development Authority's Business Relocation Loan Program has offered loan funds—at below-market rates—to assist Kakaako's small businesses with certain moving and re-establishment costs. Island Guitar—which utilized the Program twice—is pre filed below.

The five partners who own Island Guitar are guitar enthusiasts who have channeled their expertise and love of the stringed instrument into creating a full-service oriented retail store. The shop—located in the Ward Warehouse in Kakaako—offers the sales and repair of new, used and vintage acoustic and electric guitars, along with ukuleles, amplifiers, and accessories. "I guess you can say that all of the partners of Island Guitar are in this business, and work here, because we love the guitar as an instrument," says majority partner Neil Shimabukuro. "We know how the instrument ticks, how it works. When people come to us, they actually can talk to one of the owners and they get the straight scoop. There



Island Guitars' partner Neil Shimabukuro

are no commissions on what they are paying the salesperson, which means we can offer better prices. We try our best to offer service after the sale because we all, personally, find that very important." Island Guitar was started in 1984 by majority partner James Danz in a small store in Chinatown. Danz, who was

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GOVERNOR CAYETANO'S VISION FOR KAKAAKO'S WATERFRONT:

A World-Class Center Focusing on Children and Family

Following are excerpts of remarks delivered by Governor Benjamin Cayetano at the ground breaking ceremony for the Children's Discovery Center.

"I'm truly honored to be able to join you this morning as we break ground for the Children's Discovery Center. I want to congratulate Loretta Yajima as well as the former first lady Lynne Waihee for the vision and impetus that they gave to this development. This is truly a wonderful, wonderful beginning to their efforts. And let me say that we support it one hundred percent. In fact during my dealings with Mrs. Yajima and Mrs. Waihee on this particular project, they whetted my interest in developing a world-class children's center here (in Kakaako). Not just this Discovery Center but a world class center of activity which focuses on children and family. And so we welcome this ground breaking today. This administration is also committed to this project by designating, through the HCDA, a location for adding a children's theater as well. This will be the beginning, coupled with the Kakaako Waterfront Park, for activities which will nurture the physical, intellectual, and cultural development of our children. Next week, I will be flying—courtesy of a company called Kajima International, which is the world's leading developer of world-class aquariums—to look at some projects that they are building on the mainland to consider a world-class aquarium here as an anchor for this development. It may not be the answer but we are on our way searching for an anchor to make this truly a place that we can all be very proud of. We want to create a place that visitors as well as local residents will enjoy visiting; a place to bring your children and your families.

Kakaako represents one of the truly bright spots for the future of our State. In terms of economic development, we have a great advantage here because the State owns much of the land and we don't have the constraints that we have with respect to other State lands. There's also development (in Kakaako) by the private sector which will add to and help develop the synergy which will support some of the activities here. As you know, Consolidated has a 25-theater complex scheduled to be developed just down the road from here, and there is a developer who is seriously moving ahead to develop the



*Governor Ben Cayetano and
Kaiulani School fifth-grader Lani Leuthvilay.*

Fisherman's Wharf as a tourist attraction center. The private sector, the Ward Estate, of course is developing its shopping centers and other people will be developing commercial activities which will all add to the excitement and the dynamics which will make this children's center a highly successful and major attraction, I believe, not only for the people of Hawaii but also for the people who are interested in children's centers throughout the world.

This project is a fine example of what we can do when the public and the private sectors get together in a partnership. As you know, the State is now entering a time in its economic development when it no longer can, by itself, fund projects like this. We need to look and work with the private sector to develop these kinds of projects which will not only enhance the quality of attractions that we have here in the State but also enhance and improve the quality of life for our people as well. And so we're committed to making Kakaako truly a world-class center for children and I congratulate Loretta Yajima, Mrs. Waihee and the hundreds of volunteers for their vision and their foresight and for their courage in pursuing this. Once we get this center up I think the rest of the project will begin to fall in place. Already, since I made a preliminary announcement of our intent as far as what we would like see here, we have had inquiries from all over the country with ideas coming forth. And I hope to aggressively solicit and pursue those ideas in making this center a reality."



RelocationSpace



As a service to Kakaako businesses, following are listings of available commercial/industrial spaces in Kakaako and where to call for more information. Information for possible inclusion in this column is welcome. Call Irene Iha at 587-2870 or write to the HCDA office by the 10th of each month.

KAKAAKO

- o 604 Ala Moana Blvd, former Sunmari, 135,000 sf indus, premium, call Charles "Rod" Miller (B) 544-9566, Chaney Brooks.
- o 1) 660 Ala Moana Bldg, 942 sf & 4,137 sf retail/whse; 2) 680 Ala Moana Bldg, 468 sf-4,000 sf ofc, \$1.95/sf GROSS; call Omni Investment 523-1822.
- o 677 Ala Moana Blvd, former Gold Bond Bldg, approx 159 usf-3,897 usf ofc, \$1.38/usf, est \$0.87/sf oper exp, 3-5 yrs, prkg, call C. Kalani Schrader (S) 541-5117, CB Commercial Real Estate.
- o 670 Auahi St, Coral Commercial Ctr, 1,877 sf-22,167 sf retail/ofc/whse, call Jancie Ahsing (B), Fred Noa (S), Shawn Brady (S), 528-0039, Chaney Brooks.
- o Auahi Bus Ctr, indus: 2,100 sf @ \$0.95/sf NET; ofc: from 118 sf from \$250/mo GROSS; retail/wholesale: 2,100 sf @ \$1.70/sf NNN; call Omni Investment 523-1822.
- o 1) 330 Cooke St, 7,440 sf grnd flr retail/whse; 4,423 sf mezz @ \$7,500/mo NNN; 2) 575 Cooke St, 1,400 sf ofc; call Charles "Rod" Miller (B) 528-0039, Chaney Brooks.
- o 333 Cooke St, 3,000 sf retail/ofc, hi-quality recording studio, call Richard Kryatoff (S) 544-9555, Chaney Brooks.
- o 614 Cooke St, 1,000 sf-3,000 sf ofc, \$1.00/sf NNN, call Steve Yago 599-5039, Landmark Commercial.
- o 716 Cooke & 711 Kawaiahao Sts, 1,747 sf 2nd flr ofc, \$1.00/sf, est \$0.35/sf CAM, open terms, call Stephen Keil (B) 541-5110, CB Commercial Real Estate.
- o 670-A Halekauwila St, approx 4,909 sf whse, \$0.65/sf NNN, est \$0.27/sf CAM, 3-5 yrs, call Karen Taniyama (R) 522-5991, Sofos Realty.
- o 439 Kamani St, 540 sf whse/ofc, \$0.95/sf NET, build to suit, call William "Bill" Joor (B) 528-0039, Chaney Brooks.
- o 711 Kapiolani Blvd, 1,081 sf-5,858 sf ofc, \$2.00-\$2.15/sf, 1-5 yrs, prkg, call Frances Okazaki (B) 541-5111, CB Commercial Real Estate.
- o 725 Kapiolani Blvd, Imperial Plaza, 1,738 sf grnd flr retail, \$1.95/sf vs. % rent, \$0.57/sf CAM + \$0.16/sf RPT, 3-5 yrs, prkg, call Sandy Donnot (B) 541-5114, Stephen Keil (B) 541-5110, CB Commercial Real Estate.
- o 770 Kapiolani Blvd, 492 sf-5,000 sf ofc, call Dave Blanchard 592-4818, Waterhouse Properties.
- o 1221 Kapiolani Blvd, former Blackfield Bldg, 486 sf-4,359 sf ofc/retail, call Debby Sommer 524-4195, DGM Group.
- o 567 S. King St, Kawaiahao Plaza, 1,138 sf ofc, \$1.75/sf GROSS, garden setting, low-rise bldg, call Charles "Rod" Miller (B) 544-9566, Chaney Brooks.
- o 1212 Kona St, 2,150 sf retail, \$1.85/sf, \$0.27/sf CAM, open terms, call Dana Peiterson (B) 541-5189, CB Commercial Real Estate.
- o 629 Pohukaina St, 19,000 sf ofc, demisable, rent nego, \$0.24/sf CAM, assign of sublease to 8/21/09, call James Shipman (S) 541-5184, CB Commercial Real Estate.
- o 670 Queen St, 5,000 sf-10,000 sf a/c ofc/whse, 2,044 sf whse, 1,393 sf ofc/retail, call Dave Blanchard 592-4818, Waterhouse Properties.
- o 839 Queen St, 287 sf 2nd flr ofc @ \$0.50/sf, 190 sf 2nd flr storage @ \$0.20/sf, both—\$0.11/sf CAM, call James Shipman (S) 541-5184, CB Commercial Real Estate.
- o 419 South St, Waterfront Towers Mart, 199 sf-753 sf ofc/shwrm, \$1.90/rsf GROSS, prkg, call Karen Taniyama (R) 522-5991, Sofos Realty.
- o 1001 Waimanu St, approx 2,000 sf 2nd flr ofc, \$0.65/sf NNN, \$0.10/sf CAM, 2-5 yrs, prkg, call John Sternberg (RA) 532-1932, Sofos Realty.
- o 1) Waterfront Plaza, home of Restaurant Row, 683 sf-25,000 sf ofcs, from \$2.25/sf GROSS; 1,382 sf restaurant, full kitchen, make offer; 2) Waterfront Towers Mart, 350 sf-1,000 sf, \$1.90/sf GROSS; call Stark Properties 521-8831.
- o 1) 1,182 sf grnd flr, 706 sf 2nd flr; 2) free standing bldg on 5,000 sf land, 3,000 sf grnd & 2nd flrs; call Lionel Low, CCIM 596-2066.

ISLAND GUITAR (Continued from Page 2)

skilled in building guitars, later formed a partnership with business school graduate Shimabukuro. The entrepreneurs first concentrated on the sales and repair of used electric and acoustic guitars. "All the larger stores were carrying new gear but there was no one selling used guitars," Shimabukuro says. "You had to scour pawn shops and swap meets to find used gear, so there was a real need in that area. In the early years we did repairs and we bought, sold and traded instruments. Back then a lot of the stores didn't take trade-ins so we provided a conduit through which people could resell their instruments, and we also sold things on consignment. Eventually what happened was that the demand for used instruments became such where it started to deplete the available supply and they became vintage and collectible. Over the years, people have also been collecting guitars and using them as investments." Island Guitar's reputation of dealing in used instruments grew and it attracted a larger clientele base. However, about six years ago, Island Guitar also began to offer its customers the sale of new instruments, to compensate for the dwindling supply of used guitars. Says Shimabukuro, "That has turned into a great realm for us as well because there is great demand for American-made guitars. People in Japan and everyone else in the world look upon the American instrument as being the Rolls Royce or the Mercedes Benz of all guitars. That's why we've kept that focus and are now established dealers for numerous American-made guitar companies."

Island Guitar still maintains an avid emphasis on used and vintage instruments. Shimabukuro says, "Used guitars provide a great deal of value because in a sense, once you buy a new guitar it depreciates as soon as you go out the door. It's the same with cars or anything else you buy. But if you find a used guitar that you know looks in good shape, plays well and sounds good—and it is half the cost of a new one—then you are getting a good deal."

While Island Guitar's clientele has expanded steadily over the past decade, it has changed the location of its store several times to keep pace with its growth. According to Shimabukuro, the HCDA's Business Relocation Loan Program has helped his firm in making the transitions. He explains, "The first time we tried it (the loan program), we were moving from our Piikoi Street location to our place on Ward Avenue. It was great because the interest rate was unbelievably low compared to anything else you could get at a bank. So we definitely took advantage of it. When we had to move again (to the Ward Warehouse location), we signed up for the loan again. It took a little longer because the loan size was a lot bigger than the first one, but eventually it went through and it has helped us out a great deal. I don't think we could have done the move without the loan because it really helped us in the transition period."

THE KAKAAKO CONNECTION

is a publication produced by the
**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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